



STAFF NOTES:

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North Korea on Eve of Party Anniversary

25X1A

Kim Il-song retains a firm grip on the Workers Party as it prepares to celebrate its 30th anniversary on October 10. Over the past two years, however, the North Korean president has been increasingly preoccupied with the problem of assuring the perpetuation of his revolutionary ideology and his personal prestige.

Kim has launched campaigns to further strengthen party organization and indoctrination and has begun to introduce a new generation of officials into top party and government posts. These programs could also be used—if Kim so wished—to pave the way for an eventual transfer of power to his son, Kim Chong—il.

Generational Change

Set up in power by the Soviet occupation authorities in 1945, Kim was apparently not confident of his hold on the Workers Party until the late 1950s, when a series of purges removed his last factional rivals from the Political Committee. In the succeeding decade, Kim filled the committee with loyal colleagues from his prewar, anti-Japanese guerrilla movement.

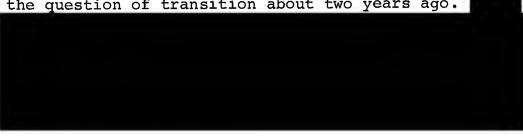
In the late 1960s, the need for new skills in handling specialized problems prompted Kim to begin adding experts in economic management and foreign affairs to the committee. Then, about two years ago, the recruitment process—while continuing to seek technical expertise—turned its primary focus to developing potential replacements for top party officials.

Most of the Workers Party senior men are older and frailer than the 63-year old Kim, and the North

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Korean president is apparently seeking to put in their place younger officials whom he can fully indoctrinate before leaving the scene. In short, Kim is attempting to induce and preside over a significant generational change in party leadership. Since a full Political Committee was last announced in 1970, Kim has added nine new faces to the committee; in the same five-year period the premier and two senior vice presidents of the republic have become mere figureheads.

Advancing age and a growing awareness of his mortality, rather than any acute worsening of health, probably prompted Kim to begin to seriously address the question of transition about two years ago.



Tightening Party Controls

Broader campaigns to strengthen allegiance to Kim and to tighten party discipline are proceeding under the banner of "dyeing the whole society one color." The Koreans have been exhorted to remain true to Kim's ideology "generation after generation" and warned to heed the historic lessons of the international communist movement on what happens when revolutionary fervor is lost. According to articles in 1974 and 1975 issues of Kulloja--the theoretical journal of the Workers Party Central Committee -- the campaign is designed to unify party ranks and to root out the last remaining currents of thought that run counter to Kim's teachings.

October 6, 1975

25X1B

25X1B

In this commentary there is little hint that Pyongyang is concerned that the Workers Party might lose its grip in a post-Kim period. North Korea is likely the most thoroughly mobilized society in the communist camp. Over 25 percent of its adults are members of the party, and all youths over 14 must join party-sponsored mass organizations.

The regime is, nonetheless, strengthening its disciplinary organs. Since mid-73 Kim has promoted within the Political Committee the men in charge of the party's Inspection Committee and the cabinet's State Control Commission, and he has replaced the head of the sensitive General Political Bureau of the Korean Peoples Army.

In February 1975, according to recent broadcasts, Kim introduced to the tenth plenum of the party Central Committee a comprehensive program to strengthen the party's legal controls "over state and social life." In a speech delivered last January, Kim announced that he had also upgraded the work of the party's Organization-Guidance and Propaganda-Agitation Committees.

Kim Chong-il

These two committees have probably played the central role in a campaign, apparently also begun two years ago, to promote Kim Chong-il, son of the North Korean leader, to political prominence. In the last few months, Pyongyang officials have begun to respond to visitors' inquiries with confirmation that Kim Chong-il is the son of Kim Il-song and that he holds high posts. Beyond this, little can be established.

South Korean analysts and diplomatic sources in Pyongyang believe the younger Kim is an alternate member of the Political Committee, head of the party's

Propaganda and Agitation Committee, and a secretary of the Central Committee Secretariat. He is said to be about 35 years of age, a graduate of Kim Ilsong University. Kim Chong-il is also variously reported to have received training in the Soviet Union or East Europe.

Officials of Chosen Soren--the General Federation of Koreans Resident in Japan--who recently returned from North Korea told the press that the younger Kim's photo is now displayed prominently together with that of his father. Other sources claim that North Koreans must study the writings of the son and praise him in song and discussion.

Despite the widespread knowledge of and homage paid to Kim Chong-il in party activities, there has been a puzzling absence of references to the son in the national press. A campaign to honor his deceased mother-begun in 1974 in literary journals--was recently elevated to the party organ Nodong Sinmun and may be a surrogate campaign for building up Kim Chong-il.

Withholding press confirmation of Kim Chong-il's prominence may reflect tactical considerations. To declare his son his successor now would leave Kim Il-song in a lame duck status and might also open the field for maneuvering against Kim Chong-il by interest groups not willing to see another generation of personality cult leadership. Although it could also indicate that Kim has not yet made a determination on the succession issue, rumors persist that the young Kim will make his debut at the October 10 celebrations, or when North Korea convenes a party congress in the next year or two. (SECRET)

North Korea: Embracing the Old Intellectuals

25X1A

North Korea has released a new feature film that may be part of a political campaign to win increased support from the intellectual class. High Tension Wire is the story of an electrical engineer's courageous exploits during the Korean war, and according to a review in the August 9 edition of the Pyongyang Times, its political theme is Kim Il-song's trust in an "old intellectual." As early as July the Socialist Working Youth League had made the movie required viewing for its members. Other mass organizations may also be giving it wide dissemination and making it a subject of group study.

The pointed use of a hero who was trained under the Japanese makes it clear that North Korean authorities are using the film to address the middle-aged and elderly citizens who constitute the prewar educated bourgeoisie, commonly referred to as "old intellectuals." These people, together with those later suspected of aiding UN forces during the Korean war, are second-class citizens in Pyongyang society, kept under surveillance, and denied careers in the Workers Party. Today, thirty years after the Communists came to power in North Korea, up to ten percent of the adult population may remain in this stigmatized class.

Discouraged and disaffected, the old intellectuals form a pool of potential defectors and dissidents. North Korea has periodically judged it wiser not to keep them out in the cold entirely, but to try to win them over and bring them under a greater degree of party control. Campaigns to do so took place in 1961 and 1964. High Tension Wire may be part of a third campaign that had begun at least as early as July 1973, when the party newspaper Nodong Sinmun commented on Kim's policy of educating and "remolding the old intellectuals into intellectuals of the working class." In the early 1960s,

and again in 1973, Pyongyang has specified that one purpose of these campaigns is to isolate the truly hostile, subversive elements of society.

That three separate campaigns, spanning fifteen years, have had to be launched to deal with intellectuals indicates the difficulty of properly politicizing these people. Part of the problem may lie with resistance to the program within the Korean Workers Party itself. The review of High Tension Wire notes that Kim alone recognizes and rewards the political loyalty of the old intellectual, but that "some hidebound people" distrust the engineer and leave him out of their ranks.

The renewal of efforts to win over the old intellectuals at this time may be related to another more broadly based campaign begun nearly two years ago. One of the principal slogans of this campaign is "dyeing the whole society one color"—an ostensible effort to turn the entire populace into staunch supporters of the regime. But an additional objective, according to an article in the September 1974 issue of Kulloja—the party theoretical journal—is to reinforce the Kim cult and ensure that Kim's teachings and reputation will be safeguarded after his death for generations to come. (OFFICIAL USE ONLY)

North Korea Announces Plan Fulfillment

25X1A

In anticipation of the 30th anniversary celebrations of the Korean Workers Party on October 10, North Korea has announced the fulfillment of its six-year economic development plan one year ahead of schedule. Pyongyang claims that by the end of August, the targets for gross industrial output and for grain, electric power, coal, pig iron, chemicals, machine tools, tractors, textiles, and fishery products were reached. The targets for steel and cement productive capacity will reportedly be met by the anniversary date and grain production is supposed to surpass last year's bumper crop. Major targets and the claimed achievements are listed on the accompanying chart.

We have difficulty accepting these claims. The Koreans admit that two of their leading industries—steel and cement—are well short of the plan's goals. In agriculture, there is evidence that production is short of expectations, and Pyongyang itself is no longer predicting the production of 8 million tons of grain which was touted earlier in the year. Although Pyongyang claims otherwise, our estimates for fishery output also fall below targets.

Moreover, none of the claims—save that for grain—is based on annual production. Instead, they apparently represent annual projections based on production achieved during the first eight months of 1975 or on some especially high level of daily, weekly, or monthly output. The Koreans often neglect maintenance and preparatory work in order to achieve major spurts in output over short periods of time by intensive use of capacity and labor. Photography indicates that present plant capacity is not sufficient to support these production levels on an annual basis for many of the industries. In fact, the plan's targets for such key industries as steel, cement, and chemical fertilizers may not even be achieved in 1976. (SE-CRET NOFORN)

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North Korean Plan Fulfillment Claims

Commodity or Category	Unit of Measure	1970 Level	1976 <u>Goal</u>	Claimed Annual Production Level August 1975*
Industrial production	Index: 1970=100	100	220	220
Production of the means of production	Index: 1970=100	` 100	230	230
Consumer goods	Index: 1970=100	100	200	210
Electric power	Billion kilo- watt hours	16.5	28-30	28.0
Coal	Million metric tons	27.5	50-53	49.5
Pig iron and granulated iron	Million metric tons	2.0	3.5-3.8	3.4
Steel	Million metric tons	2.2	3.8-4.0	3.3
Chemical fertilizers	Million metric tons	1.5	2.8-3.0	3.0
Machine tools	Thousand units	10.4	27	25.0
Tractors	Thousand units	9.0	21	21.2
Trucks	Thousand units	14.7	N.A.	35.3
Cement	Million metric tons	4.0	7.5-8	6.8
Textiles	Million linear meters	400	500-600	720
Aquatic products	Million metric tons	0.9	1.6-1.8	1.35
Grain	Million metric tons	5.0	7-7.5	7+

^{*} The figures in the column are calculated from claimed increases over 1970.

More on the South Korea - Japan Ministerial Meeting: Relations Back on a "Normal" Track

25X1A

The South Korean - Japanese ministerial meeting in Seoul last month "officially" ended a two year period of strained relations. But the lack of specifics in the joint communique prompted some misgivings in South Korea about what the meeting actually accomplished and seemed to imply that the two countries still do not see eye-to-eye on important matters. Recent reporting from several Japanese and Korean sources sheds some light on the current state of play in Seoul-Tokyo ties.

President Pak is said to have decided not to press the Japanese for detailed commitments in either the economic or security fields at the ministerial meeting. Pak apparently reasoned that strong pressure would merely result in an open dispute at the talks and renewed controversy over Korean policy in Tokyo--and that Seoul stood to gain more from the Japanese in the long run by taking a flexible approach. Pak was probably encouraged to use such tactics by the fact that the officials who led Tokyo's delegation to the ministerial meeting--Deputy Prime Minister Fukuda and Foreign Minister Miyazawa--have long been sympathetic toward South Korea. Pak no doubt also had in mind the need to project a moderate image just prior to the UN debate on Korea.

As a result, the kind of sharp wrangling that has characterized Korean-Japanese exchanges in the past did not take place. Both Seoul and Tokyo seem relieved to have put troublesome political issues (the Kim Tae-chung case in particular) aside, at least for a time, and to have directed relations to a more "normal" track. This was no small accomplishment in itself.

Seoul's Longer Range Objectives

Ideally, the South Koreans would have preferred that the joint communique contain:

- --a clear-cut reaffirmation from Tokyo that the security of South Korea is vital to Japan;
- --specific amounts of future large-scale Japanese economic assistance;
- --pledges that Tokyo would strictly limit dealings with North Korea and take strong action to curb the activities of pro-Pyongyang Koreans in Japan.

Pak has often argued that South Korea is a critical buffer for Japan and that such requests are justified.

Pak recognizes, however, that such commitments are simply not in the cards now. Influential Japanese leaders, including Finance Minister Ohira, are unenthusiastic about increasing economic assistance to South Korea; there is long-standing Japanese opposition to any kind of security link to Seoul; and a not inconsiderable body of opinion in Japan favors a more balanced policy toward the two Koreas. In private, Pak does not conceal his anger over such Japanese attitudes. Still, the South Koreans hope that Deputy Prime Minister Fukuda--whom Seoul regards as a "friend"--can work with other pro - South Korean Japanese leaders to gradually encourage sentiment for a policy more supportive of Seoul.

Pak's expectations are most likely to be fulfilled in the area of economic assistance. Until
recently it had been widely assumed that Japanese
government aid to South Korea would end this year
(as Seoul neared completion of its third development plan) and that future assistance would be on a
private basis. When Japanese Foreign Minister
Miyazawa visited Seoul last July, however, he agreed

to continue official assistance beyond this year. Significantly, the communique issued after the ministerial meeting last month also noted Tokyo's agreement to continue its "great (although unspecified) contribution" of public as well as private aid.

The Japanese say they have made this important policy reversal in recognition of the fact that the Korean economy has been affected by the "oil shock" and that continued development will depend heavily on the availability of outside capital. The first of a series of meetings aimed at working out the details on future Japanese economic aid will begin in Seoul in mid-October. The South Koreans will not get nearly as much as they want; Tokyo is especially chary of aiding Korean industries that might compete with Japanese firms already suffering from recession. Nonetheless, there is every indication that Japanese aid will continue at a substantial level.

The "Normal" Track Can be Rocky

The restoration of South Korean - Japanese relations to a "normal" track by no means signifies mutual understanding on the important issues. The normal track has been hazardous in the past and will require careful negotiating in the future. Relations will depend importantly on how successful Seoul's allies in Tokyo are in fashioning political and economic policies helpful to South Korea.

The South Koreans will continue to be wary of Tokyo's dealings with Pyongyang; they are still smarting over the trip of a close colleague of Prime Minister Miki, LDP Diet member Utsunomiya, to North Korea and the publicity resulting from his long talks with Kim Il-song. Seoul was also dismayed over Tokyo's mild reaction to the North Korean attack on a Japanese fishing boat, the

Shosei Maru, early last month. One Japanese cabinet minister, a number of Socialist politicians, and elements of the press suggested that it might be wise to conclude a private fisheries agreement with the North Koreans to minimize the chances of similar incidents in the future. The South Koreans complained bitterly that had one of their naval units carried out the mistaken attack it would have provoked an uproar in Tokyo.

In Japan, emotions have not completely subsided over the case of Kim Tae-chung--the Korean opposition leader abducted from Tokyo by the Korean CIA two years ago. One Japanese official noted recently that South Korean prosecutors have demanded that Kim be given a five year jail sentence for election irregularities. If Kim is imprisoned, the issue could once again spark a major outburst in Japan. (CON-FIDENTIAL)

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Mr. Eda Goes to Washington: Implications Within the JSP

25X1A

Members of Japan's Socialist Party (JSP) generally follow predictable itineraries in their international travels, but last month's visit to Washington by a JSP delegation was a notable change in the usual pattern of Moscow and Peking centered globetrotting. The JSP delegation to the US--the first in 18 years--was led by Saburo Eda, the deputy chairman and long-time right wing faction leader of Japan's largest opposition party.

Eda undoubtedly hopes the trip can benefit his alliance with Kozo Sasaki, the party's traditional left wing faction leader and--until last year--Eda's perennial foe. The two are now aligned against the Socialism Association (SA), the JSP's new and increasingly powerful extreme left-wing group. Eda may hope as well that the trip will help move the party, however gradually, toward a more realistic approach to foreign policy.

Like the ruling Liberal Democratic Party, the JSP has been divided since its formation into a number of competing subgroups or factions. Unlike the conservatives, however, the competition for leadership has been exceptionally bitter because of the strong ideological differences between the party's two main wings--the dominant orthodox Marxist and pro-Peking left, and the more reformist and parliamentary socialist right.

In spite of the long history of intra-party warfare between the left and right, Sasaki and Eda joined forces in early 1974. Billed as a means to boost the party's fortunes in last year's Diet Upper House election, the alliance was in fact a response

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to the growing challenge posed by the party's extreme left-wing Socialism Association (SA), which is pro-Moscow.

For the old-line faction leaders, the battle lines drawn by the association go beyond ideological confrontation. The SA attacks Sasaki as pro-Peking and criticizes Eda for "revisionist" reformism, but more significantly it is challenging these two established factions for party control at the grassroots level. Under the leadership of Itsuro Sakisaka, the SA has expanded its power in local party organizations as well as among the JSP's traditionally militant labor union allies.

In contrast to the ruling Liberal Democrats, local party interests in the JSP do have an important impact on the national convention. One delegate is chosen for each 100 party members. Because of its rank and file support, the SA sent nearly 100 of the party's 460 delegates to the party convention last December. The SA demonstrated its strength, in spite of its small 3-man Diet member contingent, by electing 5 of the 10 members of the party's Discipline Committee in the convention's only open election.

Since last year's convention, the SA has been content with supporting Tomomi Narita, the JSP's current chairman. Narita, along with party secretary general Masashi Ishibashi, has so far used SA support to some advantage in managing the party, but Narita's joint communique with the Chinese last spring--attacking both the USSR and the US for seeking hegemony in Asia--significantly strained his relationship with the SA. Whatever the Socialist Association's future designs--it has reportedly been contemplating Narita's removal at the next party convention--Narita is doubtless aware, as are the

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faction leaders, that the party's future direction could well be affected by the association's behavior.

The growing strength of the SA has also spawned yet another intra-factional grouping—the New Current Society (NCS)—a response to the challenge from the extreme left. Formed in early 1973 by a group of younger moderate dietmen, the mainstay of NCS member—ship remains the party's right wing, although it has gained some backing from disaffected left wingers. In any event, the NCS has joined Eda and Narita in opposition to the SA.

Last year, the NCS threw its support for the party chairmanship behind Ichio Asukata, the young Socialist mayor of Yokohama and a figure widely regarded as a new breed of reformist politician. With the backing of the NCS, Asukata gained one of the party's three vice chairmanships in last December's convention. But, unlike the SA, the NCS has so far failed to expand its roots at the party's local organizational level. In spite of its sizable 47-man Diet membership, it has less power than the SA in any convention contest.

Paradoxically, both the SA and the NCS pose a significant challenge to the party's old-line factional leadership. For many party members—particularly the younger socialists—the JSP's persistent inability to capitalize on the declining popular support for the ruling conservatives has produced a growing dissatisfaction with the JSP leadership.

The expansion of the local strength of the JSP's foremost competitor in the opposition camp--the Japa-nese Communist Party--and communist inroads among the party's long-time labor supporters have fueled a sense of anxiety among party members. The grassroots legwork of the SA, combined with the counter-efforts of the NCS, have in some measure drawn support away from the older faction leaders.

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Both Eda and Sasaki undoubtedly hope that their alliance of convenience can check the rising power of the SA. Prior to Eda's mission to Washington, Eda told US embassy officials in Tokyo that there was no significant opposition to the Washington visit among the JSP's leadership—a notable statement in light of the left wing's long standing opposition to the US alliance as a socialist article of faith.

Eda's trip, moreover, received the full backing of Prime Minister Miki, who himself requested the ambassador's support in arranging delegation meetings with the Vice President and the Secretary of State. Miki noted that although no dramatic changes were likely in JSP policy lines, the contacts might well be helpful in strengthening the moderate trends within the party.

Miki is apparently on reasonably good terms with Eda and Ishibashi and enjoyed some success in getting cooperation from the JSP in the last Diet session. At minimum, the Prime Minister may hope that the warm US reception Eda received, combined with the reportedly lively interchange of views with US leaders, will aid the moderates' intraparty position.

The Eda mission has already unhinged the party's earlier plans to send counterpart delegations to Peking and Moscow. The Chinese canceled the JSP visit to Peking last month--according to one source-because its proposed delegation was of insufficient importance compared with the Washington group led by Eda. The party also postponed its Moscow travels because it was unable to find a suitable party leader willing to make the trip.

The Washington visit is unlikely to have any immediate effect of the JSP's opposition to Japan's

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US alliance. Still, it will doubtless be used by the party's anti-SA alliance as one additional lever in the attempt to check the initiatives of the extreme left. Success in this endeavor may be tested at the party convention tentatively scheduled for this December. (CONFIDENTIAL)

Laos: The Leaders in Sam Neua

25X1A

All significant decisions in Laos are now made by a small group of revolutionaries who remain secluded near Sam Neua, deep in the mountains of northeast Laos--although the Lao communists continue to maintain for appearances sake that Prince Souphanouvong is their public leader and Souvanna Phouma is the head of government in Vientiane. The Sam Neua revolutionaries are the real leaders of the Lao People's Revolutionary Party, the communist party of Laos, which for years had been so secretive that few Lao even knew of its existence.

Communist Political Organizations

The communists in 1956 formally discarded the name Pathet Lao, which literally means Lao Land. Their overt political organization was named the Lao Patriotic Front and the Lao People's Liberation Army was the designation given their military arm. Western observers and many Lao, however, continued to use Pathet Lao or simply the initials "PL" to refer to the communists and their organizations.

Whatever its overt form, the driving force of the Lao left is the Lao communist party, formed as the Lao People's Party after the Indochinese Communist Party was disbanded in the early 1950s. From an initial membership of 600 in 1955, the party has grown to an estimated strength of 15,000-20,000.

In classic communist fashion, the party's chain of command is indistinguishable from that of the front. Party members occupy virtually all key positions in the front, the army, and in the phalanx of affiliated special interest groups. Their positions and ranks in these groups, however, often do not reflect their actual positions in party circles.

The Inner Circle

The composition and ranking of the top party leadership are carefully guarded secrets. It is generally believed that Prince Souphanouvong, chairman of the Lao Patriotic Front and chairman of the coalition Joint National Political Council is a relatively low ranking member of the party central committee, if he is a member at all. Phoumi Vongvichit, the sophisticated and relatively Westernized communist who holds the title of coalition deputy prime minister, almost certainly outranks Souphanouvong on the central committee.

The top post in the party--secretary-general --is held by Kaysone Phomivihan, who has not visited Vientiane for 25 years, but who apparently spends considerable time in Hanoi as well as Sam Neua. Nouhak Phoumsavan, who served in the second coalition in the early 1960s and has traveled several times to Moscow and Peking, serves as Kaysone's deputy.

Other key members of the party central committee include General Khamptay Siphandone, commander of the Lao People's Liberation Army; Saman Boungraket, army chief of staff for political affairs; Phoune Sipraseuth, currently acting deputy prime minister in Vientiane; Sanan Southichak, a highly skilled agitprop specialist; Sisana Sisane, propaganda chief for both the Front and the party; Apheui Keobounheuang, a logistics specialist; Saly Vongkhamsao; and possibly four or five others.

Although all of the members of the party central committee have been active in the communist movement since at least the early 1950s, most have remained deep in the communist zone and few of them would be recognized by name--even in Laos. Despite their long service, the members of the central committee are relatively young as a group: Kaysone is about 50, Khamptay is 49, and the rest are in their fifties or early sixties.

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The most important communist leaders with very few exceptions are lowland Lao even though the rank and file of the front and army are drawn from the highland minority tribes of eastern Laos who came under communist control early in the movement. With the notable exceptions of Souphanouvong and Phoumi Vongvichit, the senior members are not from the traditional Lao ruling elite. These people were communists—heavily influenced by the Vietnamese from the very beginning.

The senior communist leaders have little formal education. Of the known central committee members, only Souphanouvong has a university degree and many of the others did not even attend the French lycees in Indochina.

The Vietnamese Connection

In contrast to their comrades in Cambodia, the Lao communists have been dependent on the North Vietnamese for the success of their movement. It was under the aegis of Ho Chi Minh's Viet Minh that some 150 anti-French Lao met in August 1950 to unite to form the "Pathet Lao" movement. All the participants at this meeting had close ties with the Vietnamese. One major group consisted of commoners, including Kaysone and Nouhak, who since 1946 had been organizing resistance bands in the hills of eastern Laos. A second group consisted of a small splinter from the Lao Issara, the original Lao independence movement. These aristocrats, led by Prince Souphanouvong, decided to cooperate with the Vietnamese and continue the resistance rather than follow Souvanna Phouma and others into a French-sponsored government in Vientiane.

Viet Minh troops in the early 1950s invaded Laos and provided the Lao communists with their first territorial base in the border province of Sam Neua. The Vietnamese have trained and advised the Lao People's Liberation Army from that time on and, since the Lao

never had much stomach for mortal combat, it was the North Vietnamese army that did the fighting for the Lao communists in nearly all major battles. Hanoi, through its advisers in Sam Neua and through contacts with senior Lao leaders, still provides the Lao advice, direction, and cohesion.

Many in the Lao communist inner circle have developed close ties with senior Vietnamese leaders, and many spend considerable time in Hanoi. Several of the senior Lao have Vietnamese family relationships. Kaysone's father is Vietnamese. A number of the Lao communists have Vietnamese wives. (Souphanouvong is said to have married a secretary of Ho Chi Minh.) Kaysone, Sisane, Souphanouvong, and possibly several others received some formal edcuation in Vietnam.

Factionalism and Dissent

Some observers of the Lao political scene, including Prime Minister Souvanna Phouma, assert that a faction within the Sam Neua leadership has been unhappy with the continued dependence on the Vietnamese. This "nationalist" faction is supposedly led by Souphanouvong and Phoumi Vongvichit and allegedly includes lesser figures who were educated in French Indochina lycees, have some family ties to the traditional Lao leadership, and who have over the years maintained less intimate contact with the Vietnamese. Members of this faction are said to be less likely to follow North Vietnamese directions and are unlikely to impose a rigid communist system in Laos.

While it is possible that some communist leaders find the Vietnamese connection hard to swallow, this does not seem to have ever been a seriously divisive issue. Since the communist movement was launched formally in the early 1950s, no senior Lao Communist has ever defected despite numerous opportunities do so, and there has never been a purge of the top ranks.

Souphanouvong and others may at times have arqued for a line more independent of Hanoi and for less stringent communist policies. They clearly realize, however, that as a practical matter they can go only so far in developing an independent line without provoking their powerful Vietnamese benefactors. In any case, Kaysone, Nouhak, Khamptay and the others, who owe their positions to the Vietnamese and who for 30 years have had intimate ties in Hanoi, call the shots for the Lao communists. The Lao communists may eventually see advantages in cultivating the Soviets, Chinese, and even Western states in order to move to a more indepdendent position. But for the time being, the present cast of leadership would be extremely unlikely to do anything which might offend their Vietnamese comrades.

Party Objectives

The communists' basic objective is to impose a Marxist-Leninist system on Lao society, one that is presumably close to the North Vietnamese model. Following the Vietnamese pattern, for example, the Lao are moving more slowly than their Cambodian comrades toward traditional communist objectives.

As a first step, the Lao have begun to impose a variety of controls in the countryside. While fairly standard in the communist context, these controls are wholly new to the Lao, who are used to government neglect. The communists presumably will also extend programs developed over the years in the so-called liberated zone. These have less to do with theoretical communist social reforms than they do with more practical matters such as increasing agricultural production, providing basic services in health and education, and encouraging communal participation in road maintenance and similar activities.

Communist programs may have more impact in Vientiane, the only significant city in Laos. Many

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Lao suspect that the communists soon will solve the capital's persistent unemployment program by moving non-productive people to the countryside to assist in meeting the communists' oft stated goal of "gaining national self-sufficiency in rice." Most if not all of the capital's refugee population probably will also be moved back to their homes.

The communists over the years have provided few hints on plans for any radical reorganization of society or the economy. They pay lip service to respect for private property, but have begun to nationalize Laos' few manufacturing and processing industries and are laying the groundwork for similar moves against the privately owned banks. These moves will have little impact on Laos' primitive economy. (CONFIDENTIAL)

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Burma/China: Preparing for Ne Win's Visit

Both Rangoon and Peking are making gestures to improve the climate for President Ne Win's expected visit to China next month. The Burmese government is ordering several pro-Taiwan organizations to disband, and police already have told members of a Chinese Nationalist committee that reviews visa and passport applications for Taiwan to stop their activities. The committee had operated in Rangoon for many years with the Burmese government's tacit consent.

The Burmese government action suggests that Ne Win is placing a high priority on pleasing his Chinese hosts. When Ne Win last went to Peking in 1971, pro-Taiwan groups were not forced to disband, and when high-ranking Chinese officials visited Burma in the past, pro-Taiwan leaders were merely taken into custody temporarily.

The Burmese probably hope to persuade the Chinese to curtail support to the Burmese communist insurgents. Burmese Foreign Minister Hla Phone raised this issue when he was in Peking in August, and Burmese leaders were disappointed when he was unable to get any satisfaction from the Chinese.

It seems doubtful that Ne Win will get the Chinese to abandon the Burmese communists, but Peking has demonstrated its desire for improved relations with the Burmese government in recent weeks. Chinese embassy officials in Rangoon asked leaders of the overseas Chinese community last month to mute traditional celebrations of the October 1 Chinese National Day and to pay special attention to cultivating ties with local Burmese authorities. This may be part of a region-wide effort by Peking to reduce frictions in Southeast Asian countries caused by the overseas Chinese. (SECRET NOFORN)

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